

LEGISLATIVE UPDATE

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

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H.R. 3150 – THE SECURE TRANSPORTATION FOR AMERICA ACT OF 2001

Summary: H.R. 3150 is comprehensive aviation security legislation that includes the provision of Federal air marshals on commercial airlines, law enforcement personnel at every airport screening location, and strict Federal oversight of the Nation's airline security screening programs. It establishes a new Transportation Security Administration within the Department of Transportation. This new agency would be responsible for security for all modes of transportation, and would be headed by a new under secretary.

This legislation federalizes (imposes Federal standards on what is now a State and local responsibility), but does not nationalize airline security screening: it requires stricter standards for screening, with Federal supervision of the screening process, background checks, testing, and strict oversight. It also provides the option of either using Federal employees or contracting with private screening companies. The cost of providing the screening function would be funded by a fee to be charged for each one-way trip. The fee would be based on the cost of providing the service, but would be capped at \$2.50 per one-way trip. The new fee will be classified as an offsetting collection, such that it will offset a portion of the total amount appropriated for airline security. Any additional funds needed would be authorized to be appropriated or could come from a fee imposed directly on the airlines.

In addition, H.R. 3150 requires the deployment of Federal air marshals, and directs the new under secretary to take action to strengthen cockpit doors. It also authorizes funding and provides flexibility in the use of Airport Improvement Program [AIP] and Passenger Facility Charges [PFC] funds to help airports pay for the increased security costs.

Cost of Legislation: H.R. 3150 authorizes such sums as may be necessary for the operations of the Transportation Security Administration. It also authorizes the Secretary of Transportation to make grants of up to \$500 million for security improvements to passenger aircraft. These funds may be drawn from the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to the Terrorist Attacks on the United States (Public Law 107-38). In addition, H.R. 3150 authorizes \$1.5 billion in fiscal year 2002 appropriations for security upgrades at airports.

Legislation Compared With the Budget Resolution: The Congressional Budget Office [CBO] has not prepared an estimate for H.R. 3150. The Budget Committee believes, however, that this legislation is consistent with the assumptions underlying the allocations of new budget authority and outlays, and the aggregate levels of spending and revenue underlying the budget resolution.

Compliance With the Budget Act: The Budget Committee also believes this legislation will not cause mandatory budget authority to increase, and hence will not cause a breach in the 302(a) allocation to the Transportation and Infrastructure Committee pursuant to the fiscal year 2002 budget resolution (H.Con.Res. 83). In addition, the bill will not cause the aggregate level of spending to be higher, nor revenues to be lower, than anticipated by the budget resolution. Finally, it will not cause expansion of an entitlement in the current fiscal year.

A few provisions in the bill are within the Budget Committee's jurisdiction. The Committee allowed itself to be discharged, and no Budget Act points of order will apply.

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Compliance With PAYGO: Despite the absence of a CBO estimate, the Budget Committee also believes that this legislation will not cause an increase in the balance currently on the pay-as-you-go [PAYGO] scorecard, because it does not cause an increase in mandatory outlays or a decrease in revenue. Though it provides for the authorization of appropriations, that spending, under traditional budget scoring procedures, is not scored against this legislation but will instead be scored against the Transportation Appropriations Act for whatever amounts of budget authority are appropriated for airline security. In addition, the new fee will offset the budget authority spent on these security measures and will thus provide room under the discretionary spending limits (and allocations included in the budget resolution) for those purposes. Hence this legislation will not cause or exacerbate any potential sequester under the PAYGO rules.

Potential Amendment in the Nature of a Substitute: The Rules Committee may make in order an amendment in the nature of a substitute consistent with legislation approved by the Senate on 11 October 2001. That legislation departs from H.R. 3150 chiefly in that it authorizes a Federal takeover of passenger and baggage screening as well as airport and aircraft security at most commercial airports.

The Congressional Budget Office estimates doing so would require the hiring of 31,000 employees to provide aviation security. Another major difference is the imposition of higher fees, which would be classified as an increase in revenue rather than an offset to spending.

If the Senate legislation is the text for the possible amendment, it will not be subject to points of order under the Budget Act.

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